

DEPARTMENT OF HEALTH AND HUMAN SERVICES

**OFFICE OF
INSPECTOR GENERAL**

**DISTRIBUTING COLLECTED CHILD
SUPPORT TO FAMILIES EXITING TANF**



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EXECUTIVE SUMMARY

PURPOSE

To evaluate the process State Child Support Enforcement agencies use to transfer child support to families leaving Temporary Assistance to Needy Families.

BACKGROUND

When families apply for Temporary Assistance to Needy Families (TANF), Federal law requires the families to assign their right to child support payments to the State and cooperate with child support enforcement efforts. By law, the “assignment” of child support to the State is supposed to end upon a family’s exit from TANF. The State Disbursement Unit must send support collections to the family within two business days of receipt in the month following TANF exit.¹

Families may be most vulnerable during the months before and immediately following the end of their receipt of TANF assistance. Payment of child support at this juncture is likely to have a great impact on the success of the transition from TANF to self-sufficiency.

We collected data through in-depth site visits in five States and a survey of 51 State TANF and Child Support Enforcement agencies.

FINDINGS

States Pay Less in TANF Cash Assistance Than They Collect in Child Support for Some Current TANF Families

In the five case-study States, 47 current TANF recipients experienced at least one month when their TANF cash assistance amount was less than the amount of child support paid by the non-custodial parent. Only in one case-study State were these families eligible to receive the difference between their TANF grant and the collected child support.

None of the case-study States have automated systems designed to automatically close TANF cases when collected child support exceeds the TANF grant, nor do they distribute this excess support to current TANF families. Without such State systems in place to automatically close these cases, TANF recipients receive less money and accrue unnecessary months on their TANF life-time clocks.

After TANF Exit, Eight Percent of Custodial Parents in Our Case-Study States Experienced Child Support Payment Delays, and Three Percent Were Underpaid

In each of the five States we chose for our case-studies, we conducted case file reviews to determine whether child support payments were correctly distributed to families after TANF exit. Payment delays and underpayments ranged from 2 of 30 cases (7 percent) in one State to 8 of 27 cases (30 percent) in another State.

Eleven States Report They Were Not Always Able to Accurately Transfer Child Support. Problems May Increase When Caseworkers Must Intervene.

Nationally, eleven States report difficulties accurately transferring child support to families leaving TANF. These impediments include problems with automated interfaces, incorrect client addresses and caseworker intervention in the transfer process.

Twenty-eight of the 51 States surveyed report problems with their automated interfaces. Interface problems, including incompatible design of State TANF and Child Support Enforcement agencies' automated systems and timing of information exchanges, may cause child support payment delays and underpayments after TANF exit.

Reliance on child support caseworkers to transfer collected payments, as opposed to an automated process, is plausibly associated with increased payment error rates.

Child Support Enforcement Agencies Have No Systematic Oversight of the Transfer Process in Most Case-Study States

According to State child support staff in all five case-study States, these States have no policy requiring systematic review of TANF leavers' child support distribution. Under federally-mandated State self-assessments, State CSE agencies are not required to specifically sample cases where TANF case status changed. Furthermore, State self-assessments are not designed to catch inaccurate child support distribution when a client leaves TANF cash assistance.

RECOMMENDATIONS

The Office of Child Support Enforcement and the Office of Family Assistance should ensure that State child support and TANF systems effectively share information about their joint caseload and accurately and efficiently disburse payments to TANF leavers. We believe comprehensive automated systems are the best way to achieve desired outcomes.

We recommend that the Office of Child Support Enforcement and the Office of Family Assistance provide technical assistance to the State Child support and TANF agencies to:

- Improve automated system interfaces' capacity to accurately and efficiently share caseload information and automatically redistribute collected child support,
- Ensure timely disbursement of collected support by emphasizing custodial parent address verification in the TANF discontinuation notice and the Child Support Enforcement continuing services notice,
- Implement policies and procedures for handling excess child support, and
- Improve accountability through a State self-assessment process that addresses the outcome of collections and distributions for TANF leavers.

AGENCY COMMENTS

The Administration for Children and Families (ACF) reviewed this report and agreed with most of our findings and recommendations. Where appropriate, we changed the report to reflect their comments. The full ACF comments are contained in the Appendix.

The ACF agreed with our recommendation that OCSE and OFA should work together to provide additional assistance to improve State agencies' automated interfaces' capacity, as well as help States implement policies and procedures for handling excess support. In addition, the ACF agreed that some of the findings and recommendations from this report could be included among the topics considered for Special Improvement Project grants in the future.

The ACF questioned why the waiting period of two months for automatic TANF closure was specified in our recommendation. While cases could be closed on a monthly basis, we believe that a two month time period is a better indicator that consistent child support payments will be made to the custodial parent.

The ACF disagreed with our recommendation that the State self-assessment process should address the outcome of collection and distribution for TANF leavers. However, there is no other required mechanism that measures whether States are accurately distributing child support payments on a timely basis. The ACF also disagreed that all TANF leavers' cases reviewed by States should be subject to a higher compliance rate for accurate disbursement of collections than the current 75 percent requirement. We believe that a 75 percent compliance rate is not a high enough standard of success for States to gauge their accuracy in distributing child support to all families, not just families leaving TANF.